

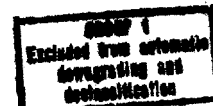
**SECRET**WPIC/TDS/D-727-67  
6 March 1967

MEMORANDUM FOR: Chief, West Coast Procurement Office/YD/OL

THROUGH : Chief, Procurement Division/OL

SUBJECT : Proposed Amendment to Contract [REDACTED]  
[REDACTED] Relating to a Review Meeting to Discuss  
The Award Fee

1. The contractor [REDACTED] is proposing a contract amendment which would stipulate that the Sponsor's contractual and technical personnel meet with contractor representatives to discuss the level of fee award prior to actual award.
2. The Technical Staff of the Sponsor does not approve of this amendment for the following reasons:
  - a. This amendment would, in reality, change the type of this contract from Cost-Plus-Award-Fee to Cost-Plus-Negotiated-Fee;
  - b. The Technical Staff requires that it retain its ability to make independent judgements of the technical effectiveness of its contractors. Therefore, this staff does not want to have its judgement "colored" by presentations by the contractor regarding his own effectiveness and performance;
  - c. The degree of technical performance on this type of work [REDACTED] has to be judged subjectively to a large extent. Therefore, any contractor-sponsor discussion of the fee awarded based on performance could only result in arguments and disputes. We feel very strongly that arguments of this nature would seriously impair the technical working relationships between the sponsor and the contractor and consequently impair the effectiveness of contractors performance in the future.
  - d. To accept this type of amendment would establish a precedent for future contracts and therefore dilute any contract cost advantages achieved during contract negotiations.

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[REDACTED] Relating to a Review Meeting to Discuss the  
Award Fee

3. It is strongly recommended that this proposed amendment be re-  
jected and that the fee award be made by the contracting officer after  
he has received an independent judgement of the contractors' technical  
performance from his Technical Representative.

[REDACTED]  
Colonel, USAF  
Assistant for Technical Development, TDS

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